Government of Saskatchewan

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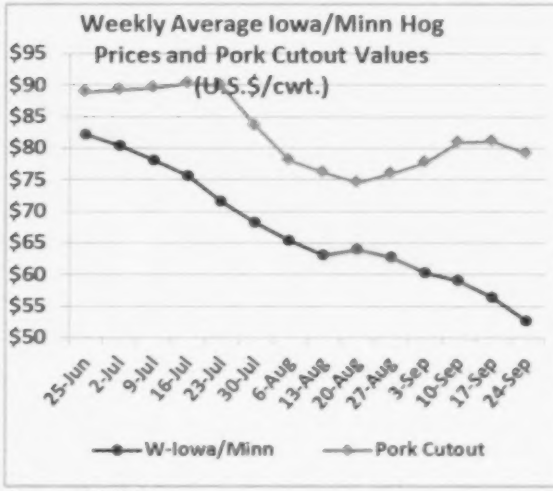
Weekly Hog Report

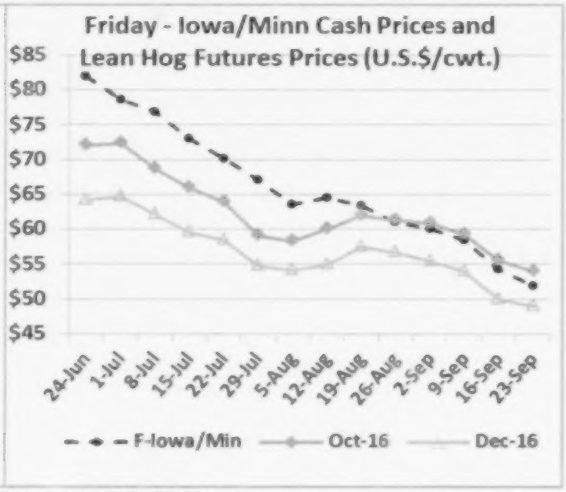
September 26, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved lower over the week to end the week down, week-over-week. Hog prices on Friday September 23 averaged US$51.83 per cwt, down US$2.46 per cwt or 4.5 per cent from US$54.29 per cwt the previous Friday. The negotiated weekly base price last week averaged US$52.64 per cwt, down US$3.74 per cwt or 6.6 per cent from US$56.38 per cwt the previous week. Slaughter weight cash hogs prices declined from massive weekly hog slaughter numbers.



Source: LMIC



Source: LMIC, CME

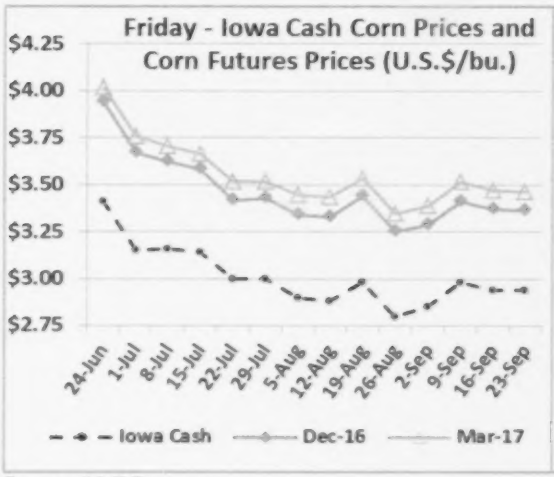
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday September 23, 2016 was $123.28 per ckg, down $9.06 per ckg or 6.8 per cent from $132.34 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $127.45 per ckg, down $9.44 or 6.9 per cent from the previous weeks' average price of $136.89 per ckg. The Canadian dollar was mixed last week but ended higher to close Friday at 75.92 cents, up 0.24 cents from 75.68 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week with big enough losses early in the week to push prices lower, week-over-week. The nearby October contract declined US$1.475 per cwt to settle Friday at US$54.000 per cwt. The December contract declined US$1.050 per cwt to settle Friday at US$48.900 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$15.99 per head, down US$0.31 per head from US$16.30 per head the previous week. Feeders (40lb) averaged US$28.58 per head, up US$1.56 per head from US$27.02 per head, the previous week.



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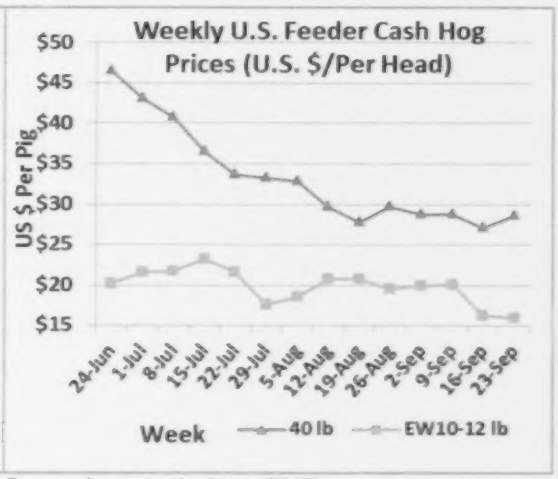


Source: Iowa Agriculture, CME

U.S. corn prices were mixed last week. Iowa cash corn prices were overall steady, unchanged from the previous Friday to settle Friday at US$2.94 per bushel. Daily U.S. corn futures prices were mixed with gains early in the week before losses later in the week to edge lower, week-over-week. The December 2016 corn futures contract declined less than a cent to settle Friday at 3.36½ per bushel, while the March 2017 corn contract declined one cent per bushel to settle Friday at US$3.46¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 24 were estimated at 2.466 million head, up 4.8 per cent from 2.353 million head the previous week, and up 8.0 per cent from 2.283 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending September 24 averaged 2.292 million head per week, up 4.8 per cent from 2.200 million head the same period a year ago. Weekly hog slaughter numbers last week were massive at 2.466 million head. While they were not new record highs, they were in the top five weekly average hog slaughter numbers.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 17, 2016 were estimated at 425,215 head, up 20.4 per cent from 353,058 head the previous shorter holiday week, and down 24.5 per cent from 341,404 head the same shorter holiday week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 400,465 head, up 2.5 per cent from 390,553 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 14,919,822 head, up 1.5 per cent from 14,703,548 head the same period in 2015.
(Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending September 24, 2016 was estimated at 512.6 million lb.; up 5.1 per cent from 487.5 million lb. the previous week, and up 7.0 per cent from 487.5 million lb. the same week a year ago. Pork production over the last four week's ending September 24 was estimated to average 466.8 million lb., up 1.3 per cent from 460.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 24 was estimated at 492.0 million lb., down 1.7 per cent from 500.3 million lb. the previous week, but up 1.3 per cent from 485.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 17, 2016, was estimated to average 2.027 billion lb., up 0.6 per cent from 2.016 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.5 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Sept. 17) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	456.9	456.0	-0.2%	0.2%
Beef	462.0	471.2	2.0%	4.8%
Chicken	985.2	971.4	-1.4%	2.1%
Turkey	112.4	128.9	14.7%	5.5%
Total	**2,016.5**	**2,027.6**	**0.55%**	**2.47%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 24, 2016 averaged US$79.18 per cwt, down US$1.83 per cwt or 2.3 per cent from US$81.01 per cwt the previous week, and down 4.9 per cent from US$83.23 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending September 24, 2016 averaged US$186.48 per cwt over the week, unchanged from US$186.48 per cwt the previous week, but down 14.7 per cent from US$218.66 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending September 24, 2016 averaged US$129.48 per cwt, down US$4.82 per cwt or 3.6 per cent from US$134.30 per cwt the previous week, but up 4.0 per cent from US$124.55 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on September 23, 2016. The United States' pork stocks in cold storage totaled 607.2 million lb. on August 31, 2016, down 7.1 per cent from 653.8 million lb. on August 31, 2015, but up 1.1 per cent from 598.6 million lb. on July 31, 2016. U.S. pork stocks in cold storage for August 2016 were over fifteen per cent higher than the ten year average, but below the ten year August highs of 656.3 million lb. established in August 2015.

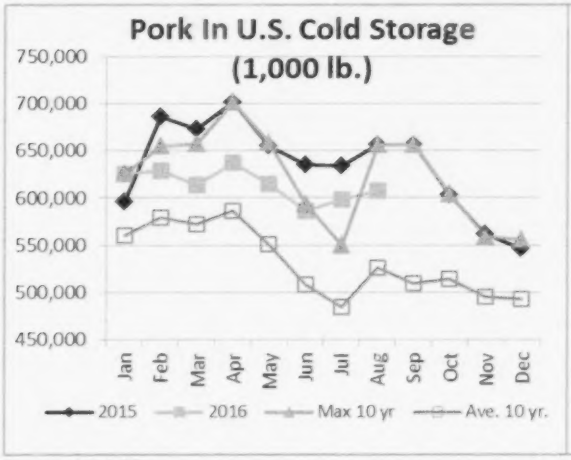
The United States' beef stocks in cold storage totaled 476.3 million lb. on August 31, 2016, up 1.3 per cent from 470.3 million lb. on August 31, 2015, and up 1.5 per cent from 469.6 million lb. on July 31, 2016. Beef in cold storage for August was above the 10 year average; but below the monthly highs over the last 10 years.

Total pork, beef, chicken and turkey in cold storage on August 31, 2016 were at 2.389 billion lb., 1.4 per cent below the July 31, 2016 storage numbers, but above the ten year average and a new ten year record high for the month of August. Higher meat in cold storage could lead to overall softer meat prices this fall in North American as production is expected to be higher for pork and beef in the fourth quarter.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Aug-2015**	**31-Jul-2016**	**31-Aug-2016**
Pork	653,760	598,592	607,254
Beef	470,319	469,598	476,619
Chicken	779,100	823,897	773,708
Turkey	477,579	530,278	531,371
Total Combined	**2,380,758**	**2,422,365**	**2,388,952**

Source: NASS



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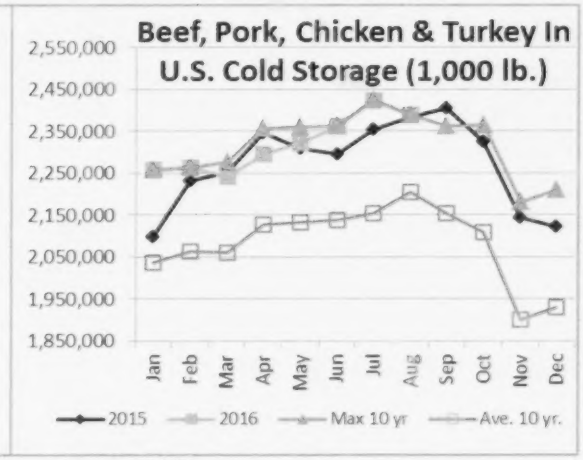

Source: NASS

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